

This letter provides a reference to the Department's rules regarding the Rolling Stock Exemption. See 86 Ill. Adm. Code 130.340. (This is a GIL.)

February 26, 2004

Dear Xxxxx:

This letter is in response to your letter dated December 11, 2003, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at www.ILTAX.com to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

Our client has questions regarding the interpretation of Public Act 93-0023 rolling stock exemption test from retailers' occupation tax for replacement parts for motor vehicles.

AAA leases trucks and trailers to other businesses. Travel routes for each motor vehicle and trailer can vary greatly from trip to trip and from year to year.

Please advise if a motor vehicle must pass the rolling stock exemption test only for the twelve-month period prior to purchase of the repairs or replacement parts. Does failure to pass this test in any future year trigger a requirement to pay retailers' occupation tax on repairs or replacement parts that qualified for the exemption, and were paid for, in prior years?

We would appreciate a clarification on this matter at your earliest convenience.

DEPARTMENT'S RESPONSE:

We regret that we cannot provide you with a specific answer in the context of a General Information Letter. Please see the Department's rules on our website regarding the Rolling Stock Exemption – 86 Ill. Adm. Code 130.340 and the Commercial Distribution Fee Sales Tax Exemption –

86 Ill. Adm. Code 130.341. The Department has also just recently filed proposed amendments to the Commercial Distribution Fee Sales Tax Exemption that can also be viewed on the Department's website.

I hope this information is helpful. If you require additional information, please visit our website at www.ILTAX.com or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Terry D. Charlton
Associate Counsel

TDC:msk